



## **Pilot Satellite Broadband Cost-share Program**

*(The Kentucky Agricultural Development Board will consider including this program in the Technology model program for 2007. )*

High-speed Internet (commonly referred to as broadband) allows for growing innovation in agriculture, simplifying and mainstreaming important daily tasks, and developing marketing and sales opportunities. With broadband, farmers can remain up-to-date with everything from the weather to the temperature and humidity of remote livestock facilities equipped with temperature-sensitive monitors. Farmers can access market prices and gain access to the information about the latest in management techniques and equipment. Farmers can advertise and even sell goods on the Internet, generating customers from all over the world. Internet resources can give Kentucky farmers the edge to remain competitive and profitable in today's changing agricultural economy. The possibilities are virtually endless.

In 2005, a United States Department of Agriculture study showed that fewer Kentucky farmers have access to the Internet (30 percent) compared to farmers in all other states. Governor Fletcher's *Prescription for Innovation* calls for broadband availability for all Kentuckians by 2007. Nevertheless, for many farm families, DSL (digital subscriber line), cable or wireless broadband services are not available.

Therefore, the following guidelines and recommendations have been developed by the Governor's Office of Agricultural Policy for the establishment of a *Pilot Satellite Broadband Cost-Share Program* through a local administrative agency, using County Agricultural Development Funds. We believe this program can greatly benefit those producers who wish to gain access to high-speed Internet service, but because of infrastructure costs, may not have access in the near future.

This document is intended to provide a summary of program goals, eligible investments, and implementation guidelines for agencies seeking to initiate a local program. Guidelines are considered to be suggested minimum standards by which a program is to be implemented.

If your County is interested in implementing this pilot program, then please contact your Area Project Analyst at the Governor's Office of Agricultural Policy at (502) 564-4627, and we will provide you with a complete set of guidelines. Applications for funds must be directed through the local County Agricultural Development Council(s) on a model project application, which will be treated as a non-model project in the application process.

## **I. Program Goals**

The goals of the program include:

- Improve net farm income through cost-share for establishing satellite broadband service that will improve farm operation efficiency and marketing for producers unable to access broadband service.
- Impact a high number of tobacco dependant producers affected by loss of income resulting from cuts in tobacco production.
- Encourage the use of broadband Internet service to assist producers in research and science-based decisions for the management and expansion of technology-based initiatives in their farming operations.
- Assist tobacco dependant producers interested in gaining the speed broadband Internet service provides.
- To increase the percentage of Kentucky farmers with Internet access.

## **II. Eligible Investment Areas**

- A. 50% of the cost of equipment and installation provided by a satellite broadband provider not to exceed \$250.00 per producer.
- B. 50% of the cost of satellite broadband service for a period of one year not to exceed \$40.00 per month (\$480.00 for the one year) per producer.

### **Prerequisites**

- “Producer” is defined by Social Security Number (SSN) / Tax Identification Number (TIN) and Farm Serial Number (FSN), neither of which may be used in combination with another SSN/TINs or FSNs for this program.
- Participating producers shall be tobacco dependant with one of the following as documented proof: evidence of a past Phase II payment; evidence of enrollment in the Tobacco Transition Payment Program; or an executed current marketing contract for tobacco production.
- To be eligible for reimbursement on one year of service, the producer must have the equipment installed and a copy of a signed service contract (minimum of one-year).

### III. Application Procedures

#### A. Guidelines for Local Agency Application for Program Administration

1. The local agency must be qualified and willing to administer the full responsibilities of the program. A tax identification number, a letter expressing a willingness to administer the program, and an indication of specific individuals that will be responsible for administering and reporting on the program must be included in the application.
2. Regional agencies may participate as grantees, if Agricultural Development Councils from the region concur. Regional grantees will be required to account for Agricultural Development Funds on a county-by-county basis and may spend County funds only in the County from whose account funds are drawn, unless the respective County Agricultural Development Council has agreed to fund expenditures outside its county boundary.
3. The program administrator shall identify two co-signers for the purpose of signing checks and disbursing funds from the program's account. The program administrator shall indicate who they are and their position within the organization.
4. Either the fiscal agent or the individuals who sign checks for the program shall be bonded or appropriately insured at a level sufficient to cover the amount of the funds being administered. Documentation of bonding or appropriate insurance shall be submitted with the signed legal agreement.
5. The local agency must communicate in the application the activity and scope of existing related county programs supporting the eligible investment areas in Agricultural Diversification that farmers can access through other agencies. Need for a new program must be clearly evident in the application.
6. The *County Model Program Application*, including cover sheet and all other documents specified in the application, must be submitted with a *County Priority Sheet* for new program requests. Requests for additional funds, within the 12-month term of the original agreement, require the *Application Cover Sheet* and the *County Priority Sheet*.

The program administrator shall also submit minutes of a business meeting within the past 12-months where signatory authorization is given to the Authorized Representative listed on the application cover sheet.

7. Agricultural Development Funds contributed to the program cannot exceed 50%.
8. Any funds requested for administrative purposes shall not be used to replace the funding sources of existing or established salaries and positions. Program administration funds may be used for costs above and beyond normal duties and salaries that are associated with:
  - a. Processing of producer payments;
  - b. Processing of producer applications;
  - c. Completion of program reporting forms;
  - d. Promotion of program availability;
  - e. Cost of bonding; and

f. Program compliance activities

One or more local agencies may combine administrative functions to create more efficient programs of grant administration.

9. The program administrator shall ensure that commingling of agricultural development funds does not occur. Therefore, the program's funds shall reside in a unique and separate bank account from any other account.

Administrators who are the fiscal agent for multiple counties may keep at a minimum one account per county. However, one account per program per county is preferred.

10. Local program sign-up and advertising shall not occur prior to the execution of the legal agreement between the program administrator and the Agricultural Development Board.
11. Administrators may contact ConnectKentucky for assistance in vendor information, operation meetings, or information about satellite broadband and service. Contact: Jeff Rose (877) 781-4320 or jrose@connectky.org

***B. Guidelines for Local Agency Administration***

1. After receiving a copy of the executed agreement, there shall be a minimum of two consecutive weeks of advertising with applications being accepted no earlier than two weeks after the date of the first advertisement. This must occur for each sign-up period, if there is more than one sign-up during the duration of the grant agreement.

For example, when the administrator receives a copy of their executed agreement they may begin advertising for sign-ups. If the first advertisement runs January 15, then the first application may be taken January 29.

2. An advertisement must, at the very least, be prominently displayed in the county's newspaper where the most farmers will see it. A copy of the advertisement, which included the name and date of the newspaper, shall be submitted to the KADB staff.
3. The application and program promotion and communication plan should be outlined in the agency's application for Agricultural Development Funds. The application shall be submitted to and approved by the program administrator before the producer can receive reimbursement for any costs incurred.
4. A producer application for the program must be developed by the administrative agency. Award of cost-share funds shall be based upon evaluation criteria established prior to application for funds.

Administrators are strongly encouraged to use a scoring system that gives tobacco dependent farmers priority, by providing points for tobacco dependency. KRS 248.711 (2) (h) states that eligibility for county funds shall require that tobacco farmers be given priority. The program administrator will establish a committee or process to review each application for completeness and score each application according to the evaluation criteria established for the program.

Suggested evaluation criteria may include, but not be limited to:

- a. Degree of applicant's tobacco-producing dependency
- b. Applicant's prior receipt of Agricultural Development Funds;
- c. Percentage of personal income from farming.

The administrator's Project Analyst can provide samples of scoring sheets from other counties.

5. Deadlines shall be established for producer application and reimbursement periods so producers have concrete timelines to implement the program. Should they fail to meet the deadlines for reimbursement, they must reapply to be considered for cost-share.
6. Approved producers must submit the Producer Report associated with the program/investments being cost-shared, before reimbursement funds are received.

These Producer Reports are for the Administrator to use in filling out the reports for the program, and to maintain on-file.

7. The program shall be open to all county/regional producers and shall not be tied to participation in any organization.

Administrators shall not reject an application solely based on the applicant's residency, assuming funding is available and the application meets the program guidelines. Administrators shall accept an application if the applicant's farm is located in the county and the cost-share will be used in the county, even if the Farm Serial Number (FSN) is registered in another county.

8. Each individual/producer who receives \$600 or more shall be supplied an IRS form 1099 or equivalent tax accounting documentation. The program administrator is responsible for distributing the necessary tax information.
9. The program administrator may choose to include eligible model cost-share program expenses for reimbursement on a retroactive basis. However, this retroactive date shall not be more than 12 months prior to the producer's application for this program.
10. Program administrators shall be required to conduct random site visits.
11. Legal agreements between the program administrator and the Agricultural Development Board shall be for a term of 12-months from the execution date of the agreement. There will be no renewals or extensions of this agreement.
12. If funds set forth in the agreement between the Agricultural Development Board and the administrator are not completely utilized within the term of the legal agreement, then remaining funds, including interest, shall be returned to the Agricultural Development Board for redeposit into the county's account.

Checks should be made payable to the **Kentucky State Treasurer**.

13. Any and all interest earned on funds for this program shall be applied to this program. Any remaining funds, including interest income, shall be returned to the

Agricultural Development Board for redeposit into the county's account at the end of the term of the agreement. All interest earned shall be reported on a semi-annual basis.

14. **Reporting Mid-term Reporting**, which includes the *Model Program Summary* and *Fiscal Detail Report*, is required of the program administrator 6-months after the execution date of the legal agreement. Reporting forms can be downloaded from [http://agpolicy.ky.gov/funds/program\\_reporting.shtml](http://agpolicy.ky.gov/funds/program_reporting.shtml). These reporting forms shall be submitted electronically to [govkyagpolicy@ky.gov](mailto:govkyagpolicy@ky.gov) or on a diskette mailed to Governor's Office of Agricultural Policy/404 Ann Street/Frankfort, KY 40601.

A **reconciliation report** is due 60 days after the term of the agreement. The reconciliation report includes, but is not limited to, the *Model Program Summary* and the *Fiscal Detail Report* for any payments made since the last submitted mid-term report. Also, copies of bank statements with check numbers and amounts shall be kept on file according to the legal agreement and presented in the event of an audit. Administrators shall maintain all administrative records for this program for a period of seven (7) years.

The **Close-out** of this agreement may occur when the above is completed and verified, and any programmatic data due from producers is submitted. This final close out may occur at a date beyond the reconciliation, depending on the program.

15. Model program guideline compliance and semi-annual reporting of expenditures are essential to gauging the impact and continuity of the program. Therefore, county model programs may be audited on a random basis. The administrator shall produce all documents pertaining to individual producers who participate in this program, as well as other appropriate financial documents related to this program's account.
16. For this program, the program administrator may **distribute awards** to applicants in **multiple increments**, similar to the "Hay, Straw, & Commodity Storage" program.

### **C. Guidelines for Producer Application Development by Local Agency**

1. A producer application for the program shall be developed by the local agency. The application and program promotion and communication plan shall be outlined in the agency's application for funds under the model program.
2. The producer application must be signed and dated by the producer and must include a date/time stamp from the program administrator, as well as the initials of person logging in the application.
3. Postmarks or dated letters of application shall not override the stamp applied by the administrative body.
4. A producer application from an individual without a Tax ID (TIN) / Social Security (SSN) Number and Farm Serial Number (FSN) will be considered incomplete.

Tenant farmers or those leasing land where the cost-share improvements will be located should supply a copy of their Schedule F, if they are unable to obtain permission to use the owner's FSN.

5. The producer application shall clearly state all pertinent requirements, including evaluation criteria.
6. A statement regarding the understanding of requirements by the producer and verification of the producer's total cost-share awarded under this program shall be included with the application.

#### **D. Producer Funding Guidelines**

1. Fund distribution to producers will be on a reimbursement basis.
2. The producer shall supply a numbered and dated invoice indicating equipment installation complete in order to be eligible for payment. Payment shall only be made for eligible cost-share items identified in Section II of these guidelines.

Producers may receive reimbursement for equipment, installation, and 12-months of service payments in one reimbursement check, if the equipment has been installed (installation invoice may act as proof) and a signed service contract (minimum of one year) is presented at the time reimbursement is requested.

3. Producers who intend to take part in the program shall supply a Social Security (SSN) or Tax ID TIN) number and Farm Serial Number (FSN) to receive payment. Both of these numbers must be supplied to the Agricultural Development Board.

The Agricultural Development Board recognizes every applicant's right to privacy and understands its obligation to keep applicant/producer information confidential. Any information provided to the Agricultural Development Board or Program Administrator on individual producer applications for model programs, such as the applicant's Social Security / Tax Identification Number, will be kept confidential by authority of the Agricultural Development Board as granted in KRS 248.701 to 248.727 and by KRS 61.878. The Agricultural Development Board does not disclose any nonpublic personal information regarding applicants/producers, past or present, except as permitted or required by the Kentucky Open Records Act, KRS 61.870 to 61.884 or other law(s).

4. Should the producer fail to utilize funds by the program administrator's reimbursement deadline, said funds shall be reallocated to the next available application. Additionally, the producer must reapply to be considered for cost-share funds.